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MAR 1 4 2001

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
The Portals
445 12th Street, S.W.
Washington, D.C. 20554

FEDERAL GONDALINGATIONS COMMISSION OF THE SECRETARY

Re:

Ex Parte Submission in IB Docket No. 00-187

Dear Ms. Salas:

Enclosed for filing are the original and two copies of a slightly revised version of our written response filed March 12, 2001 to questions posed by the Staff of the International and Wireless Telecommunications Bureaus.

We are serving a copy of this letter and the attached response on all parties to this proceeding, pursuant to the Commission's Public Notice in this docket.

Please contact me at 202-663-6559 if you have any questions.

Sincerely,

Matthew A. Brill

Counsel for Deutsche Telekom AG

Attachment

cc(w/att.): Attached service list

Market expression of 2

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

March 14, 2001

Ms. Jacquelynn Ruff
Associate Division Chief
Telecommunications Division
International Bureau
Federal Communications Commission
Washington, D.C. 20554

Re: Response to Supplemental Requests for Information in

IB Docket No. 00-187

Dear Ms. Ruff:

On February 26, 2001, you posed several questions regarding the proposed transactions involving VoiceStream, Powertel, and Deutsche Telekom ("DT"). We provided a partial response on March 2, 2001; this letter provides the remaining information you requested.

1. Please provide a breakdown of the ownership interests in DT that will be held by each of the following categories of shareholders after the closing of DT's mergers with VoiceStream and Powertel (a) U.S. shareholders, (b) German government, (c) German private shareholders, (d) Hong Kong shareholders, (e) other non-U.S. shareholders.

The following numbers of shares and percentages of ownership are estimates only, based on the number of shares outstanding as of January 24, 2001, the record date for the special meeting of VoiceStream shareholders to be held March 13, 2001. These data do not account for any conversions or exercises of options that may occur in the future or may have occurred since the record date. The estimates below assume a uniform conversion rate of 3.2 DT shares for current VoiceStream shares, and a conversion rate of 2.6353 DT shares for current Powertel common shares. Consistent with direction from the International Bureau, the nationality of

As set forth in the SEC Form F-4/S-4, filed February 9, 2001, certain VoiceStream shareholders may elect to receive cash rather than stock in DT. While such shareholder elections have not yet been made, the Merger Agreement provides that the average exchange ratio will be 3.2 DT shares for each VoiceStream share.

The conversion rates for Powertel preferred shares are as follows: Series A: 121.9294 shares of DT stock; Series B: 121.9294 shares of DT stock; Series D: 93.0106 shares of DT stock; Series E: 179.5979 shares of DT stock; Series F: 179.5979 shares of DT stock. See SEC Form F-4/S-4, filed February 9, 2001, at 6.

shareholders has been determined based on the addresses of shareholders of record, except in the cases of shareholdings by Hutchison Whampoa Ltd. (of Hong Kong) and Sonera Ltd. (of Finland), whose foreign nationalities are known.

a. U.S. shareholders:  $904,026,040 (22.8\%)^3$ 

**b.** German government:  $1,806,650,000 (45,6\%)^4$ 

c. German private shareholders: 588,128,754 (14.8%)<sup>5</sup>

d. Hong Kong shareholders: 178,987,606 (4.5%)<sup>6</sup>

e. Other non-U.S. shareholders: 483,666,825 (12.2%).

2. Please provide a breakdown of the ownership interests in VoiceStream that will be held by the following categories of shareholders if the DT-VoiceStream and DT-Powertel mergers do not close, but the VoiceStream-Powertel merger closes: (a) U.S. shareholders, and (b) non-U.S. shareholders, broken down by country (except to the extent that shareholders from a particular country hold less than two percent of the outstanding shares).

As with the figures provided above, the following numbers of shares and percentages of ownership are estimates only, based on the number of shares outstanding as of the January 24, 2001 record date. These data do not account for any conversions or exercises of options that

This estimate of total U.S. holdings post-merger includes 225,432,520 DT shares already held by shareholders with U.S. addresses, 560,619,650 converted VoiceStream shares, and 117,973,870 converted Powertel shares. The ownership percentage is derived by dividing the total U.S. holdings by the estimated total of 3,961,459,225 post-merger shares in DT. (The ownership percentages for each category discussed below are derived based on this same denominator.)

This estimate of the German government's post-merger interest in DT reflects the dilution of the German government's current interest in DT caused by the issuance of new shares; the German government owns no shares in VoiceStream or Powertel.

This estimate of the post-merger interest of German private shareholders includes the 588,128,252 shares already held by German private shareholders and 502 converted VoiceStream shares held by shareholders with German addresses. While DT owns 3,906,250 voting preferred shares in VoiceStream, those shares will not be converted into DT common stock upon consummation of the merger. Rather, those VoiceStream shares will remain outstanding. See SEC Form F-4/S-4, filed February 9, 2001, at 131. Based on the addresses of shareholders of record, there are no German-held shares in Powertel.

This estimate of the post-merger interest of Hong Kong shareholders includes 110,000 DT shares already held by shareholders with Hong Kong addresses and 178,877,606 converted VoiceStream shares (calculated based on the known Hutchison interest of 55,899,252 shares in VoiceStream). Based on the addresses of shareholders of record, there are no Powertel shares held by Hong Kong shareholders.

This estimate of total post-merger interest of other non-U.S. shareholders includes 409,393,262 DT shares already held by shareholders with addresses in non-U.S. countries other than Germany or Hong Kong, 62,008,938 converted VoiceStream shares, and 12,264,625 converted Powertel shares.

may occur in the future or may have occurred since the record date. The estimates below assume a conversion rate of 0.696 VoiceStream shares for each common share of Powertel, based on the closing prices of VoiceStream and Powertel stock as of the record date.

a. U.S. shareholders: 206,970,351 (65.3%)<sup>8</sup>

b. Non-U.S. shareholders broken down by country:

Hong Kong:

55,899,252 (17.6%)<sup>9</sup>

Germany:

31,250,157 (9.9%)<sup>10</sup>

Finland:

22,196,048 (7.0%)<sup>11</sup>

Other non-U.S.:

420,865 (0.13%).

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Sincerely

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This estimate of total U.S. holdings post-merger includes 175,793,640 VoiceStream shares and 31,176,711 converted Powertel shares (i.e., 21,984,836 converted common shares, plus 9,191,875 converted preferred shares). The ownership percentage is derived by dividing the total U.S. holdings by the estimated total of 316,736,673 post-merger shares in VoiceStream. (The ownership percentages for each category discussed below are derived based on this same denominator.)

This estimate of the post-merger Hong Kong interest includes the known stockholdings of Hutchison Whampoa Ltd. in VoiceStream. Based on addresses of shareholders of record, no Hong Kong entities own shares in Powertel.

This estimate of the post-merger German interest includes 31,250,000 converted shares of DT preferred stock, assuming DT elects to convert such shares upon termination of the DT-VoiceStream merger, and 157 shares of VoiceStream stock already held by German shareholders (based on addresses of shareholders of record).

This estimate of the post-merger Finnish interest includes Sonera's known holding of 18,975,774 shares in VoiceStream and the conversion of Sonera's Series A Preferred shares in Powertel into 3,220,274 additional shares of VoiceStream common stock.

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